
**Colorado State Plan
(Draft)**

Temporary Assistance for Needy Families (TANF)

Effective December 31, 2014

Introduction and Summary

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), requires states to develop and submit a plan guiding the implementation of the Temporary Assistance for Needy Families (TANF) program to the U.S. Secretary of Health and Human Services. Colorado's state plan structures its program within federal guidelines, while presenting Colorado's vision and design for employment-focused programming. Additionally, the plan contains details regarding eligibility criteria, benefit levels, administrative policies and procedures, fiscal information, and certifications and assurances.

Colorado's TANF Program is known as Colorado Works; it is designed to assist families become stable and economically secure. Colorado Works is designed to achieve positive outcomes, particularly employment, among participants struggling to become more economically secure. As such, Colorado values engaging families in services that result in meaningful, sustainable employment as a key strategy to promote economic security and family well-being for those in poverty. In addition to providing a safety net for vulnerable families, the Colorado Works program promotes job preparation, transition to and progression in employment, and tools for parents to provide a solid foundation of support for their children. The program is guided by policies and strategies designed to promote family well-being and economic security.

The Colorado Works program operates in all 64 counties in Colorado; per statute, each county department of human/social services administers its Colorado Works program. Every county has a plan and a series of Colorado Works policies guiding local implementation of the program and enters into a performance memorandum of understanding with the Colorado Department of Human Services (CDHS) acknowledging local responsibility for operating the Colorado Works program in exchange for TANF funds. County departments have flexibility to design the most effective approach for operating the Colorado Works program in their community. County policies are designed to deliver the most appropriate services to eligible participants in their communities. CDHS is responsible for ensuring that counties comply with federal and state requirements as well as with their own policies in operating the Colorado Works program.

In addition to county programs, CDHS is committed to supporting statewide programs that serve low-income families and meet one of the four purposes of TANF. State-sponsored efforts that have shown promising return in reducing poverty include a subsidized employment program, ReHire Colorado, which places low-income individuals into transitional jobs and the Personal Responsibility and Education Program (PREP) Grant, which provides comprehensive, medically accurate sexual health education to teens.

Eligibility Criteria, Benefit Levels and Services

Colorado Works provides fair and equitable treatment to all program applicants and participants and does not discriminate based on age, disability, race, color, national origin, or any other basis

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prohibited by law. Colorado Works statute states that no individual is entitled to benefits or services under the Colorado Works Program.

Basic cash assistance. Colorado statutes sets uniform, statewide criteria for eligibility and minimum benefit levels for cash assistance based on Aid to Families with Dependent Children (AFDC) rules that were in effect on July 16, 1996, with the following exceptions:

- (1) Families do not need to include half siblings in the same assistance unit if at least one of the half siblings is receiving child support;
- (2) Two-thirds of a participant's income gets disregarded for ongoing benefits calculations;
- (3) Two parent families are treated the same as single parent families; and
- (4) A family's resources are exempt.

Eligibility criteria for cash assistance also include the following:

- (1) No family cap is imposed;
- (2) A participant is required to work with Child Support Services; thereby ensuring children receive financial supports
- (3) Expectant parents that can prove pregnancy are eligible; and
- (4) All work eligible individuals must sign and participate in an individualized plan for employment.

The following people are ineligible for all Colorado Works benefits or services:

- (1) Fugitive or fleeing felons, parole violators, or probation violators;
- (2) Specified caretakers who fail to report, without good cause, within normal program reporting requirements, a child(ren) who is expected to be out of the home for longer than forty-five (45) calendar days will be ineligible for assistance for ninety (90) calendar days from the date that it is determined he/she should have reported the expected absence;
- (3) Persons convicted of a drug-related felony on or after July 1, 1997, unless the county department has determined that the person has taken action toward rehabilitation, such as, but not limited to, participation in a drug treatment program;
- (4) Persons participating in a strike; and
- (5) Qualified legal non-citizens or those who are not federally exempt, who entered the United States on or after August 22, 1996, are ineligible for cash assistance for five (5) years from date of entry into the United States.

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Other assistance. In addition to basic cash assistance grants, county departments may provide other assistance to participants, including additional benefits, services, and incentives, as outlined in their county policy.

Receiving assistance. Every household receiving TANF assistance is raising a child. There are three primary family types receiving Colorado Works assistance:

- Two parents with at least one child
- One parent with at least one child
- Child-only participants are children living with a relative or caretaker whereby benefits support the child(ren), but not the adult(s) in the household

To receive benefits, an assistance unit consists of the dependent child, siblings of the dependent child, and specified caretaker (such as parents, grandparents, etc.) A dependent child is a child under age 18 (or between age 18 and 19 who is expected to graduate from high school prior to his/her 19th birthday). A specified caretaker is a person who exercises responsibility for the child and may or may not be related to that child. Dependent children must live with a specified caretaker, except for children receiving family preservation services or children receiving services as outlined in Colorado's approved Title IV-A State Plan in effect as of September 30, 1995.

Services may be provided to children in out of home placement or in juvenile justice facilities in accordance with the provisions of the approved Emergency Assistance State Plan in effect on September 30, 1995. Non-monetary services may also be provided to a non-custodial parent according to program rules, as outlined in county policy.

Persons living in the household who are financially responsible for members of the assistance unit, but who are not required members of the unit, will have their income, minus the employment disregard, deemed available to the family unit. At initial application, the income disregard is \$90; once eligibility has been established, 67% of income will be disregarded during the certification period. The generous disregard after eligibility has been determined is intended to support families transition to sustainable employment, while providing access to case management and supportive services that are critical during early attachment to work, in addition to income support.

Applications and redeterminations of eligibility. Applications for Colorado Works benefits must be processed within 45 calendar days. In order for an assistance unit to receive ongoing cash benefits, a redetermination of eligibility must be completed every six months. Redeterminations for Colorado Works benefits must be processed by the last day of the month if it was submitted on or before the 15th day of the redetermination month; redeterminations received on or after the

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16th day of the redetermination month must be processed by the 10th day of the month following the redetermination month.

Specified caretakers are required to notify the agency within ten days if a child has left the home and is expected to be gone for more than 45 calendar days. Assistance will be discontinued for specified caretaker(s) who fails to meet this requirement. Exceptions to this requirement are granted for:

- (1) Child(ren) receiving medical care or education that requires him/her to live away from the home;
- (2) Child(ren) visiting a noncustodial parent, as specified in a parenting plan entered by the court or by both parties, not to exceed six (6) months unless otherwise specified and signed by both parties;
- (3) Child(ren) residing in voluntary foster care placement for a period not expected to exceed three (3) months. (However, if the foster care plan changes to court-ordered placement during the three months, the child is no longer considered to be living in the home as of the time the foster care plan changed.)

Method and frequency of basic cash assistance. Assistance units are certified eligible to receive benefits during a six-month certification period, notwithstanding changes to household composition or income that would render the unit ineligible for benefits. Similar to Colorado's Food Assistance simplified reporting, families are required to report changes to household composition, income (source or amount, earned or unearned), or residence as they occur.

Changes that do not render the unit ineligible will not negatively affect benefits during the certification period. Changes that increase the amount of cash assistance will be applied as they are reported, irrespective of the certification period. All other reported changes will take effect at the beginning of the next Certification Period.

Time limits. Adult members of the assistance unit are limited to 60 months of TANF assistance during their lifetime. Extensions may be considered after an adult has received TANF benefits for 60 months. Domestic violence extensions and hardship extensions may be granted, based on hardship or domestic violence reasons defined in state rules and county policies, when the hardship prevents the adult(s) from participating in work activities or securing employment. Hardship reasons for extensions beyond the 60-month time limit include:

- (1) disability of the caretaker, his/her spouse, the dependent child(ren), or immediate relative for which the caretaker is the primary caregiver;
- (2) involvement in the judicial system by a member of the assistance unit;
- (3) Family instability, including proven inability to maintain employment or for the caretaker to care for children in his/her own home or in the home of a relative;

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- (4) families experiencing current or past domestic violence issues;
- (5) inadequate or unavailable child care services, housing, transportation, or employment opportunities; and
- (6) other hardship reasons specified in the county's policies.

Minor parents. A minor parent is a parent under age 18. In order to be eligible for assistance, minor parents must have completed high school or its equivalent, be attending high school, working on a GED, or be attending an alternative education training program approved by the State, unless benefits are paid with segregated state/local funds. All unmarried minor parents are considered children for purposes of time limits and budgeting. Unmarried minor parents must live with a parent, adult relative or guardian, or in a setting deemed appropriate by the county, with exceptions for good cause. Colorado does not require non-custodial, non-supporting minor parents to fulfill community work obligations or attend appropriate parenting classes after school.

Tribal Eligibility. Members of Indian tribes who live in Colorado and are not eligible for assistance under a Tribal Family Assistance plan approved under Section 412 of the Social Security Act could be eligible for Colorado Works assistance. Any month of TANF assistance received by an adult while living in Indian Country or a Native Alaskan village where at least 50 percent of the adults were not employed shall not count towards the 60 cumulative months of TANF assistance. Indian Country is defined in Section 1151 of Title 18, Part 1, Chapter 53, United States Code, as of January 6, 1999.

Sanctions. Sanctions may be imposed on Colorado Works recipients who do not participate in or otherwise violate the terms and conditions agreed upon in their individualized plan. Sanctions apply to the entire assistance unit. Before sanctions take effect, the county department must attempt conciliation with the participant. If conciliation is successful, good cause may be granted and benefits will not be sanctioned. If unsuccessful, the sanction process, as defined by the State Board of Human Services, will ensue, as follows:

- (1) The first sanction shall be twenty-five percent (25%) of an assistance unit's cash assistance for a period of one month. The first sanction shall remain in effect until cured and served. Sanctions not cured by the end of the sanction period shall progress to the second sanction.
- (2) The second sanction shall be fifty percent (50%) of cash assistance for one month and shall remain in effect until cured and served. Second sanctions not cured within the sanction period shall progress to the third sanction.
- (3) The third sanction shall result in the termination of cash assistance to the assistance unit for a period of three months.

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- (4) A case may be closed for one month for complete refusal to participate in or comply with the entire individualized plan.

Once a participant reaches the third sanction, all subsequent sanctions will be imposed at the third level.

Disqualifications. Persons who would be required members of an assistance unit yet have been disqualified from receiving Colorado Works basic cash assistance or diversion due to program prohibitions or violations, shall be removed from the assistance unit.

- (1) Individuals who commit fraud will be removed from the cash assistance grant for a 12-month period for the first offense, 24 months for the second offense, and permanently for the third offense.
- (2) Individuals who misrepresent information in order to receive assistance in two states at the same time will be ineligible for a period of ten years.
- (3) Individuals who are fugitive or fleeing felons, parole violators, or probation violators will be permanently excluded from cash assistance.
- (4) Individuals who have been convicted of a drug-related felony will be permanently excluded from cash assistance.
- (5) Individuals who have failed to apply for a Social Security Number will be excluded from cash assistance.
- (6) Individuals who are non-citizens and do not meet the definition of a qualified legal noncitizen will be permanently excluded from cash assistance.

Overpayments and recoveries. All overpayments of benefits are promptly established as account receivables unless:

- (1) The household members are without fault in the creation of the overpayment;
- (2) The household's change in income or other circumstances were reported timely; or
- (3) The recovery would deprive the household of income required for ordinary and necessary living expenses.

A county must deduct the recovery of overpayments from current benefits at an amount of no more than ten percent of the benefit and not less than five percent of the benefit each month. For overpayments to non-active cases, the county shall establish a repayment plan with the family of at least five percent of the benefit amount each month. The State will not pursue collection of overpaid benefits from individuals who are dependent children in the overpaid Colorado Works/TANF case.

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Non-recurrent, short-term benefits. Non-recurrent, short-term benefits are available to needy Colorado families in two formats: state diversion and county diversion. State diversion is a needs-based cash or cash equivalent payment made to a participant who is eligible for basic cash assistance. County diversion is a needs-based, cash or cash-equivalent payment made to a participant who is ineligible for basic cash assistance, based on income, yet is eligible for assistance pursuant to the maximum eligibility criteria for non-recurrent, short-term benefits established in the state plan, in the county-defined expanded eligibility based on federal poverty and other standardized guidelines, and in county policies.

(1) Eligibility for Colorado Works County Diversion requires:

- a. a family consisting of children living with a specified caretaker or parent(s) with unborn child(ren);
- b. the family's gross income is within the county limit, up to \$75,000 per year;

All Colorado residents, regardless of income and/or family composition, are eligible to receive services intended to reduce out-of-wedlock pregnancies and/or encourage the formation and maintenance of two-parent families if paid exclusively with federal TANF funds.

The federally funded Personal Responsibility Education Program (PREP) intends to decrease teen pregnancies through the implementation of evidence-based, comprehensive sexual health education curricula. The grant requires additional programming to focus on three federally outlined Adult Preparation Subjects; healthy life skills, healthy relationships and adult/child communication.

Additional Colorado Works Benefits and Services. Other services provided through Colorado Works funds include, but are not limited to, the following:

- (1) Vouchers for state approved job placement agencies.
- (2) Family planning services not available through Medicaid.
- (3) Employment incentives to participants or employers as determined necessary by county policy.
- (4) Screening for domestic violence as a part of the assessment process, but only exempt domestic violence victims from time limits and other requirements for work participation when indicated by the assessment, not as a standard practice. Colorado refers domestic violence victims for needed services. Colorado is meeting the requirements for the federally approved domestic violence waiver.

- (5) Meeting the needs of the refugee population through the Colorado Refugee Assistance Program (CRSP) utilizing TANF/Colorado Works funding.
- (6) Promoting responsible fatherhood through evidence-based responsible parenting and relationship education programs.
- (7) Subsidized employment programs for both custodial and non-custodial parents who are TANF eligible.

Non-citizens. Qualified non-citizens, who entered the United States prior to August 22, 1996, meet TANF citizenship requirements. Non-citizens, who entered the United States with qualified non-citizen status on or after August 22, 1996 and have been in the country for five or more years, are eligible for TANF assistance in accordance with Section 402 (b) of the Act. Colorado pays TANF assistance to exempted, qualified non-citizens as required by Title IV of PRWORA. Victims of severe forms of trafficking are eligible for federally funded TANF benefits to the same extent as refugees. Counties may assist 1) non-exempted, qualified aliens who arrived on or after August 22, 1996 and have been in this country less than five years and 2) aliens lawfully present who would be eligible for TANF but for Title IV of PRWORA with segregated state/local funds.

Refugees. Refugees are qualified aliens exempt from the five-year bar. Refugees eligible for TANF/Colorado Works assistance submit an application through their county of residence. The Refugee-TANF (Colorado Works) population is served through a combination of county departments and the Colorado Refugee Services Program (CRSP): county departments determine TANF/Colorado Works eligibility, while CRSP completes the assessment, provides case management, and delivers services, including workforce development. Colorado's model helps to ensure that all services for refugees are culturally and linguistically appropriate. Through the assessment process, CRSP determines the most appropriate way to serve refugee families. Consistent with all families accessing Colorado Works benefits, CRSP's assessment is used to determine whether to serve the family through a monthly cash assistance grant or a non-recurrent short term benefit (i.e. Diversion), based on the family's circumstances.

Family preservation. The Family Preservation Program replaced the IV-A Emergency Assistance Program that had been administered by Child Welfare. Family Preservation uses segregated federal TANF funds to serve families where the children are at risk of out-of-home placement. The services are specifically designed to ensure that children can be cared for in their own homes or in the homes of caretaker relatives, including case planning, case management, counseling, family support programs, intensive family therapy, day treatment, home-based services, non-medical drug and alcohol treatment, and crisis intervention services. Eligibility for Family Preservation is as follows:

- (1) The family's gross income is under \$75,000 per year;
- (2) A family consists of child(ren) living with a specified caretaker or parent(s) with unborn child(ren);

- (3) The children in foster care or juvenile justice facilities meet the criteria in effect on September 30, 1995;
- (4) The family qualifies for family preservation services under the criteria in effect on September 30, 1995; and
- (5) The family has signed a Family Service Plan (FSP).

Work Provisions

Assessment and Individualized Employment Plans. All applicants for Colorado Works benefits are assessed no later than 30 days after the application date. The initial assessment is designed to identify the services and assistance that will support the family to achieve economic stability, particularly focused on obtaining meaningful employment. Both initial and ongoing assessments are individualized, including formal and informal evaluations to determine strengths and challenges to economic stability, (e.g. recent work history and skills, education level, literacy, mental or physical disabilities, English proficiency). Depending on family circumstances, counties also use specialized assessment tools, such as those for substance abuse or vocational interest, in order to develop a suitable, individualized plan.

Information gathered from the assessments is used to develop individualized plans to achieve the family's goals for economic stability, which are identified in the plan. The plans are intended to support both the process components of work participation and verification, and the family's attainment of a long-term outcome or goal. The individualized plan, called the Roadmap, outlines the specific actions, activities, goals, and supports needed, including strategies and accommodations to address challenges, to achieve goals. Whether assistance is one-time (Diversion) or recurrent (basic cash assistance), a Roadmap is mutually developed by the participant and the county department. A contract between the work eligible individual(s) in the family and the county agency focuses on each party's roles and responsibilities in achieving goals, and clearly states the terms and conditions of benefit receipt.

Colorado places strong emphasis on employment as the most likely path to economic stability for most families seeking cash assistance; as such, CDHS works closely with state and county agencies to identify innovative practices and integrate services. The success of the Colorado Works program is rooted in partnerships with the Division of Vocational Rehabilitation, Workforce Investment Board, Department of Labor and Employment, Department of Higher Education, Community College System, and local workforce and education partners.

Work Eligible Individuals. Work eligible individuals are identified through logic in the Colorado Benefits Management System (CBMS), the state's eligibility and work program tracking system for Colorado Works, as well as other public assistance programs. Colorado does not employ separate state programs under TANF and has not executed sanctions since PRWORA was signed into law in 1996. Non-recipient parents are not considered work eligible individuals in Colorado for reasons outlined in the TANF Final Rule, including non-citizen status and minor parents who are not a head of household. Colorado will not include SSI/SSDI recipients in the

work participation rate calculations. Coding logic exists in CBMS to identify cases where a parent is caring for a disabled family member and should not be categorized as a work eligible individual. County departments are trained and formally advised of the need to document medical verifications in the case file for this purpose. Medical verification will be updated at each re-determination of TANF eligibility, or before, if warranted. For the purpose of this coding, a family member is considered any person living in the household that is dependent on the work eligible individual(s) for care and receiving a payment.

Work participation. All work eligible individuals have a Roadmap and are actively engaged in the steps to achieve their individualized plan; as such, all work eligible individuals are participating in a state- or county-defined work activity. Exceptions are made for individuals with a domestic violence waiver or for single parents with a child under age six for whom childcare is unavailable. Colorado considers childcare “unavailable” if care is inaccessible, unaffordable, or unsuitable, as defined in county policy. All participants are notified in writing of the criteria for this exemption, how to apply for the exemption, and the effect of this exemption on time limits. Single parents with a child under age one are not exempt, unless specified by county policy.

A participant’s failure to engage in the activities outlined in their individualized plan without good cause will result in a sanction, as described in the “sanctions and disqualifications” section of this plan.

Work activities, good cause for failure to participate, and definition of ready to work. Based on Colorado’s Work Verification Plan (WVP), all federally recognized work activities are used, except providing childcare to another recipient engaged in community services. These federally defined work activities are used as building blocks of an outcome-based, individualized plan leading to employment. Colorado has implemented a statewide ‘Employment Entry’ performance measure for the Colorado Works program; state staff provide guidance to counties on how to best use work activities to support and promote employment. Meanwhile, Colorado adheres to the federal requirements around work participation and verification, and has consistently met its work participation rate since 1996. (Please see the WVP for a detailed list of activities, hours, and verification requirements.) Good cause for failing to engage in work activities is determined at the county level, in accordance with federal and state guidelines.

Colorado employs a strength-based, customer-focused model for the operation of the Colorado Works program. Counties are encouraged to engage program participants in a manner that stabilizes and supports the family, reserving sanctioning as a final resort after conciliation is unsuccessful. County departments use a combination of assessments, interviewing skills, and case management to support families outline and achieve self-sufficiency goals. Together, the participant and county worker identify the activities that best support their individualized plan. Case management is ongoing, allowing the individualized plan to be adapted over time and as circumstances change.

“Work ready” is defined locally and outlined in county policies. As such, Colorado has found that the definition of being ready to work is fluid and looks different from family to family.

Counties are encouraged to work with families where they are on the work-ready continuum, using mid- to long-range planning and strategies that prevent recidivism. In this way, ‘work ready’ encompasses both the ability to go to work tomorrow and the ability to maintain and succeed in employment in the long-term.

Administrative Policies and Procedures

Confidentiality. All applicant and recipient information is confidential and available only for the purposes of the effective program administration; it will be made available to federal or state agencies only as appropriate. County departments administering the Colorado Works program are required to include procedures to ensure confidentiality in their policies. Additionally, all employees are trained to maintain strict confidentiality of information and notified that failure to do so will result in dismissal. County departments contracting for program administration or services are required to include confidentiality requirements in their contracts. Any party acting on behalf of the county department must be employees or contractual agents.

Appeals. All programs and services provided through the Colorado Works program are implemented fairly and equitably, including ensuring the correct use of any adverse actions towards applicants and participants whose cash assistance benefits have been denied, reduced, or discontinued. Any applicant and/or participant may appeal such decisions through the appeals process established by CDHS.

All disputes begin at the county level. Applicants are informed of their appeal rights at application. An individual who believes that an agency’s decision regarding the receipt of benefits or services is incorrect may appeal the action and has the right to a local level dispute resolution conference. The conference must be requested prior to the effective date of the proposed action. If the individual does not wish to utilize the local/county conference to resolve the dispute, they may request a state level fair hearing before an Administrative Law Judge. Additionally, if the individual is dissatisfied with the outcome of the local dispute resolution conference, a state level fair hearing before an Administrative Law Judge can occur if the request is received no later than 90 calendar days after the date the notice of proposed action was mailed by the county department.

If the individual remains dissatisfied with the decision after exhausting the administrative appeal rights, judicial review of the final agency decision in the appropriate state district court may be granted. If the appellant is receiving financial assistance, medical assistance, supportive services, or basic cash assistance through the Colorado Works Program at any time a conference or hearing is requested, all benefits will continue, pending the outcome of the state level fair hearing and final agency decision, as long as the request is made prior to the effective date of the proposed action being appealed or the 10 day period for appealing a county dispute resolution decision to the state department. Benefits will continue until the dispute is resolved or the appeal is voluntarily abandoned, unless the recipient requests, in writing, that the continued benefits be waived.

In cases where the dispute or complaint is from a county employee, the complaints are heard by the Colorado Department of Labor and Employment.

Fraud. CDHS regularly reviews reports from our benefits payment system, interfaces with other systems, and fraud investigations to limit fraud and abuse in the program. Questionable cases are reviewed through a county investigation to validate the accuracy of the information and determine if the applicant and/or participant committed an Intentional Program Violation (IPV) or fraud. An IPV is committed when an individual makes a false or misleading statement or fails to disclose any action intending to mislead or conceal any eligibility factor on any application or other written communication. IPV's are processed by the county and resolved either by obtaining a "Waiver of Intentional Program Violation" through an administrative disqualification hearing or referral for civil or criminal action in a state or federal court. Fraud is subject to criminal action and must be proven beyond a reasonable doubt.

Colorado continues to review and implement standards and procedures to enforce program regulations and combat program fraud and abuse. All counties are required to create and comply with a county fraud prevention policy. The policy must include procedures concerning nepotism, conflicts of interest among individuals responsible for the administering and supervising the Colorado Works program, kickbacks, and the use of political patronage.

Fiscal

The Colorado General Assembly annually appropriates TANF funds for county block grants, state administration, evaluation, electronic benefits system maintenance, and funding for targeted program needs; the largest portion of TANF funds go to the county block grant. The total block grant includes a ratio of local and federal funds for counties to operate the Colorado Works program. The county block grant is individually allocated to counties by the statutorily authorized Works Allocation Committee (WAC) using a formula based on economic and demographic factors.

State statute and program rules give counties flexibility to implement the TANF program based on local needs and make fiscal and policy decisions based on the funds available to them each year through the county block grant. Counties may choose to create policies to segregate local maintenance of efforts (MOE) funds from federal TANF funds to increase program flexibility. and ensures that fiscal constraints related to each funding source are applied accurately. CDHS monitors and reports Colorado Works expenditures through the Colorado Financial Management System (CFMS). State auditors (both internal to CDHS and external) may audit county operations, including ensuring that fiscal and policy constraints germane to each segregated funding source are applied accurately.

Maintenance of effort. Colorado continues its maintenance of effort based on FFY 1994 expenditures at the level of at least 80 percent unless federal work participation rates are met, in which case Colorado will reduce its MOE expenditures to 75 percent. In order to meet its annual

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MOE obligation, Colorado may count any qualifying expenditures (any non-federal and otherwise unclaimed expenditure made on behalf of TANF-eligible families with household gross income less than \$75,000 per year) that are allowed under federal statute and regulation. The primary sources of qualifying expenditures include:

- (1) *Colorado Works/TANF*. This includes expenditures made at the county level for benefits and services as well as program administration costs directly related to the provision of these benefits and services.
- (2) *Emergency Assistance to Families with Children*. This includes case planning services, case management services, counseling, family support programs, intensive family therapy, day treatment, home-based services, non-medical drug and alcohol treatment, and crisis intervention services.
- (3) *Child welfare Services*. This includes expenditures made at the county level on services for TANF eligible families to protect children from harm and to assist families in caring for their children.
- (4) *Colorado Child Care Assistance Program (CCCAP)*. CCAP serves families consisting of caretaker relatives caring for children up to 225 percent of the federal poverty level through assistance with payments for child care services. Families receiving services are employed, in training, or looking for a job.
- (5) *Low-income Energy Assistance Program (LEAP)*. LEAP provides benefits to low-income households for help with winter heating costs. Colorado is aware that it may not count any expenditure used to receive Federal LIHEAP Leveraging Incentive Funds towards its TANF MOE requirement.
- (6) *Refundable Tax Credits*. The Colorado Earned Income Tax Credit, the Child Care Tax Credit and the Per Child Tax Credit.
- (7) *Education Expenditures from the Colorado Preschool Program*. This program provides funding to Colorado schools to establish quality early childhood education programs, strengthen families, and support parents as participants in their child's education. School districts conduct an individualized educational program for the child with family involvement.
- (8) *Nurse Home Visitor Program*. This program consists of nurse home visitors who work with women and their families in their homes during pregnancy and during the first two years of the child's life. The program provides regular visits with new, at-risk mothers to improve parenting skills and child well being and to link mothers to needed social services.
- (9) *Pro-family healthy marriage and responsible fatherhood activities enumerated in part IV-A of the Act*. Colorado is aware that the pro-family MOE spending provision pertains only to the allowable non-assistance healthy marriage and responsible fatherhood activities enumerated in sections 403(a)(2)(A)(iii) and section 403(a)(2)(C)(ii) of the Act, and listed in TANF-ACF-PI-2008-10, e.g., not public education activities.
- (10) *Non-profit and private spending*. Colorado receives annual spending information from non-profits, foundations, and other charitable organizations who serve TANF eligible families. The services provided mostly fall into the

categories of family stability, short term housing assistance, educational and youth development activities, job readiness, and transportation.

Transfer of funds. In accordance with federal law, Colorado reserves the right to transfer up to the federal maximum levels of the State Financial Assistance Grant (SFAG) to the childcare block grant and to Title XX. These transfers are made primarily at the county level, but may also be made at the state level as appropriate.

Certifications and Assurances

Pursuant to PRWORA, Colorado's chief executive officer makes the following certifications:

- (1) Colorado operates a child support services program;
- (2) Colorado operates a foster care and adoption assistance program;
- (3) The Colorado Department of Human Services supervises the county departments of social/human services who administer the Colorado Works program;
- (4) Colorado provides each member of an Indian tribe who is domiciled in the State and not eligible for assistance under a tribal family assistance plan approved under section 412 with equitable access to assistance under the state program;
- (5) Colorado has established and is enforcing standards and procedures to guard against program fraud and abuse, including standards and procedures concerning nepotism, conflicts of interest among individuals responsible for the administration and supervision of the State program, kickbacks, and the use of political patronage. Colorado operates a SAVE System and an IEVS system in accordance with federal requirements; and
- (6) Colorado has established and is enforcing standards and procedures to (a) screen and identify individuals receiving assistance with a history of domestic violence while maintaining the confidentiality of these individuals; (b) refer such individuals to counseling and supportive services; and (c) waive other program requirements, pursuant to a determination of good cause, in cases where compliance with such requirements would make it more difficult for individuals receiving assistance to escape domestic violence or would unfairly penalize individuals who are or have been victimized by such violence, or individuals who are at risk of further domestic violence.
- (7) Local law enforcement personnel, representatives of counseling services in the counties, and the education system provide training regarding statutory rape education to both males and females. Efforts are made to encourage law

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enforcement and judicial personnel to impose stricter enforcement of the statutory rape laws;

- (8) Colorado has established goals and taken action to prevent and reduce the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies, and established numerical goals for reducing the illegitimacy ratio. CDHS works with county departments of human/social services and educational and health agencies to reduce the out of wedlock birth rate, with a special emphasis on teenage pregnancies;
- (9) Local governments and private sector organizations have been consulted regarding the plan and design of welfare services in the state so that services are provided in a manner appropriate to local populations; and
- (10) Local governments and private sector organizations have had at least 45 days to submit comments on the plan and the design of such services.

Pursuant to Public Law 112-96, Section 4004, Colorado's chief executive officer makes the following assurances:

- (1) *Recipients of the assistance have adequate access to their cash assistance and recipients of assistance have access to using or withdrawing assistance with minimal fees or charges, including an opportunity to access assistance with no fee or charges, and are provided information on applicable fees and surcharges that apply to electronic fund transactions involving the assistance, and that such information is made publicly available.* Delivery of cash benefits is made through electronic benefit transfers (EBT), either directly to a recipient's bank account or to an account maintained by the State on behalf of the recipient through an electronic benefits transfer (EBT) vendor. The EBT system is an online system accessed with plastic magnetic strip cards and personal identification numbers (PINs). Benefits are accessible through point of sale (POS) devices at participating retailers or at automated teller machines (ATMs). The EBT system is operable anywhere in the United States where the retailer or ATM displays the Quest logo. The Quest logo signifies that the retailer or ATM owner follows the national operating rules for EBT adopted by the National Automated Clearing House Association (NACHA).

All completed ATM transactions cost \$0.85 each and is assessed by Colorado's EBT card vendor. There is no additional surcharge for transactions completed at Chase ATMs. Transactions completed at all other ATMs often contain a surcharge, which varies by ATM owner/processor and can range from \$1 to \$8. There is no fee or surcharge for POS transactions; POS transactions are cost free and allow participants to withdraw cash during the transaction.

Information about these transaction fees is distributed to clients upon receipt of their EBT card. The EBT vendor supports a client website that has an ATM locator feature.

EBT card strategies already implemented and that have been identified as future changes will not restrict access for participants.

- (2) *Colorado has policies and procedures to prevent access to assistance through electronic benefit transfer transactions in an automated teller machine or point-of-sale device located in casinos, liquor stores, and retail establishments which provide adult-oriented entertainment.*
- (A) *Legislation.* Colorado State Legislature passed a law addressing the Prohibited Uses of Public Assistance Benefit Cards. This law addressed the use of Colorado Works (TANF) benefits provided to a recipient on a Colorado Quest EBT card account (Section 26-2-104 (2) (a)). The enacted statute outlines that: Recipients cannot access their EBT cash benefits from an ATM located at licensed gaming establishments; in-state simulcast facilities; commercial bingo facilities; stores that sell firearms; or retail establishments licensed to sell malt, vinous, or spirituous liquors.
- (B) *Rule.* The Department is seeking legislation that will revise to the Colorado State Regulations effective June 2014. Revisions will strengthen current language and provide more specific information regarding allowed EBT card use. It will also make the requirement to distribute EBT card information to applicants more explicit.
- (C) *Education.*
- Participants. Information about establishments where EBT transactions are prohibited is provided to recipients at the eligibility interview and when the recipient requests to receive cash benefits on an EBT card. This information is also posted in County Department Human/Social Service offices. Additionally, EBT card recipients are given an informational brochure that informs them of the following:

Which types of transactions involve no fees or charges;

Which types of transactions involve fees and/or surcharges; and

Where they can access or withdraw their cash benefits (POS terminals at retail locations statewide and ATM machines).

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CDHS will require participants to sign a disclaimer upon issuance of the EBT Card indicating they are aware of and understand the usage restrictions.

County Staff. Caseworkers and county administrators have and will continue to receive information about the law through monthly newsletters and meetings. New and existing caseworkers will be consistently trained in providing accurate information to EBT card recipients. Compliance will be monitored during the County Management Evaluations conducted by the CDHS .

- (D) *Monitoring.* CDHS will explore monitoring that will consist of running EBT usage reports to track businesses, including marijuana outlets, allowing prohibited EBT use.

CDHS will explore monitoring individuals' EBT transactions. Individuals who use prohibited ATMs may be contacted by CDHS and provided information about the appropriate use of EBT cards. Repeated inappropriate use may result in the EBT card being disabled and requiring personal interaction with the county department for additional assessment, education and/or to explore access issues.

- (E) *Automated Prevention.* CDHS will explore future EBT vendor reporting requirements to provide tracking and reporting methodology and card usage at prohibited locations. CDHS will engage with a new contract and vendor in 2016.

- (F) *Taskforce.* CDHS has engaged in a multi-agency task group that seeks input from all impacted entities on enforcement, education and outreach strategies.